

## Internal Revenue Service

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In Re:

## Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:BO1

PLR-119099-11

Date:

August 25, 2011

### LEGEND:

Parent =

Corp X =

Corp Y =

Corp Z =

Regulatory =

Agency =

Buyer =

Country A =

Newco1 =

Newco2 =

Asset1 =

i =

Date1 =

Date2 =

Dear :

This letter responds to your request for a supplemental ruling based on a change in the facts in the private letter ruling dated December 17, 2010 (PLR-134348-10) (the "Prior Ruling"). The rulings contained in this letter are based upon information and representations submitted in materials dated April 27 and August 22, 2011 by the taxpayer and accompanied by penalties of perjury statements executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Capitalized terms not defined in this letter retain the meanings assigned in the Prior Ruling and the facts and representations set forth in the Prior Ruling are hereby incorporated, except as modified below, for purposes of the supplemental ruling.

#### SUPPLEMENTAL FACTS

Solely to obtain approval from Regulatory Agency for the Proposed Transactions, Parent agreed to cause Corp Z to facilitate the entry of Buyer, a corporation formed in Country A, into the United States market that includes Business1 and Business2 by selling certain of Corp Y's historic assets to, and entering into certain commercial arrangements with, Buyer following the Merger (the Divestiture). To implement the Divestiture, Corp X formed two new domestic corporations, Newco1 and Newco2. Corp X agreed that Corp Z would sell after the Merger certain of Corp Y's historic assets, rights, and services to Newco1 and Asset1 to Newco2, and that Corp Z would sell the Newco1 and Newco2 stock to Buyer in exchange for \$i per share and Buyer's guarantee of Newco1's and Newco2's obligations. The Merger and the Divestiture were completed on Date1 and Date2, respectively.

#### REPRESENTATIONS

Taxpayer reaffirms the representations made in the Prior Ruling, except for representation (h), which is restated to read:

(h) Corp Z has no plan or intention to sell or otherwise dispose of any of the assets of Corp Y acquired in the Reincorporation, except for dispositions made in the ordinary course of business and the disposition of certain Corp Y assets made pursuant to the Divestiture required to obtain approval from Regulatory Agency.

Taxpayer submits additional representations in connection with the change in facts from the Prior Ruling as follows:

(dd) The transfer of certain of Corp Y's historic assets, rights, and services from Corp Z to Newco1 and Asset1 to Newco2, in each case was for fair market value based on terms and conditions comparable to those that would be arrived at by the parties bargaining at arms-length.

(ee) The stock of Newco1 and Newco2 was sold by Corp Z to Buyer for fair market value based on terms and conditions comparable to those that would be arrived at by the parties bargaining at arms-length.

(ff) Corp Z sold to Buyer (through Newco1 and Newco2) approximately one percent of Corp Y's historic assets.

(gg) Corp Z is unrelated to Buyer.

(hh) No section 338 election will be made by Corp Z, Buyer, or any subsidiary (of either Corp Z or Buyer) that might be eligible to make such an election.

#### RULING

Based solely on the information and representations submitted for the Prior Ruling and for this supplemental ruling, we rule that the Divestiture will not alter any of the rulings set forth in the Prior Ruling, and the Prior Ruling as modified by this ruling remains in full force and effect.

#### CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this ruling or the Prior Ruling.

#### PROCEDURAL STATEMENTS

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

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Rebecca O. Burch  
Assistant to the Branch Chief  
Branch 5  
Office of Associate Chief Counsel  
(Corporate)

cc: